

Colorado Department
of Public Health
and Environment

June 15, 2005

MEMORANDUM

TO: Signatories to the Early Action Compact for Ozone for the Front Range Metropolitan Area

Regional Air Quality Council

Jim Scherer, Chairman

Air Quality Control Commission

Robert E. Brady, Jr., Chairman

Colorado Department of Public Health and Environment

Douglas H. Benevento, Executive Director

Colorado Department of Transportation

Thomas Norton, Executive Director

Denver Regional Council of Governments

Lorraine Anderson, Chairman

U.S. Environmental Protection Agency, Region 8

Robert E. Roberts, Regional Administrator

Elbert County, Board of County Commissioners

Stephen F. Stutz, Chair

Larimer County, Board of County Commissioners

Kathay Rennels, Chair

Morgan County, Board of Commissioners

Michael Harms, Chair

Weld County, Board of County Commissioners

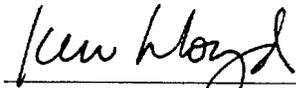
Rob Masden, Chair

IN RE: June 30, 2005 Progress Report

In accordance with terms of the Early Action Compact for Ozone for the Front Range Metropolitan Area, please find attached a report that documents progress in stakeholder

development, securing of local control measures, public outreach and modeling/technical planning activities, etc. This report meets the June 30, 2005 milestone specified in the Compact.

This June 30, 2005 Progress Report addresses progress towards implementation of Ozone Action Plan control strategies, the Denver Metro areas voluntary response to the 8-hour ozone issue and planning activities in the North Front Range to ensure cooperation in terms of possible Conformity issues and coordination of voluntary control programs, if necessary.



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Ozone Early Action Compact
Denver Metro Area
June 30, 2005 Progress Report
June 23, 2005

Introduction

In December 2002 state and local agencies in the Denver area entered into an Ozone Early Action Compact (EAC) with the Environmental Protection Agency (EPA). The Compact is a Memorandum of Agreement between the Regional Air Quality Council (RAQC), the Colorado Department of Public Health and Environment (CDPHE), the Air Quality Control Commission (AQCC), the Denver Regional Council of Governments (DRCOG), the Colorado Department of Transportation (CDOT), and EPA Region 8. The EAC was amended in 2004 with additional signatories for Elbert, Larimer, Morgan and Weld Counties, areas potentially affected by ozone nonattainment.

The Compact entails a commitment to develop and implement an Ozone Action Plan in return for deferring any potential non-attainment designation for the EPA's 8-hour ozone standard. The EAC outlines several planning milestones (including progress reports every 6 months) that must be met, culminating in attainment of the 8-hour standard by December 2007. The June 30, 2004 Progress Report was prepared demonstrating that an Ozone Action Plan, emission control regulations, and supporting documentation had been completed and adopted by the State authority, the Colorado AQCC. The adopted plan and regulations were subsequently reviewed and approved by the Colorado State Legislature and the bill approving the plan and regulations was signed into law by the Governor of Colorado in May 2004.

The December 31, 2004 Progress Report addressed the disposition of comments received from the EPA in August 2004 regarding recommendations for revisions to emission control regulation, Air Quality Regulation No.7, to provide clarity and ensure approvability of the Ozone Action Plan, and a necessary change to the Ambient Air Quality Standards regulation to define the 8-hour ozone control area.

This June 30, 2005 Progress Report addresses progress towards implementation of Ozone Action Plan control strategies, the Denver Metro area's voluntary response to the 8-hour ozone issue and planning activities in the North Front Range to ensure cooperation in terms of possible Conformity issues and coordination of voluntary control programs, if necessary.

Updates on Activities Related to the EAC

Progress made toward adoption and implementation of local measures, including schedule for adoption and implementation of these measures, any changes in the schedule, and any additions or deletions of measures since submission of December 31, 2004 progress report:

The revisions to Air Quality Regulation. No. 7 discussed above received legislative approval in January 2005 and were submitted to the EPA by the Governor on March 24, 2005. These revisions did not add or delete any control measures in the state approved Ozone Action Plan. There have been no changes in the schedule or any additions or deletions of measures since the last progress report.

A letter of commitment to periodic assessment of assumptions of emissions and modeling assumptions in the OAP was sent to the EPA March 22, 2005; AQCC action to revise the OAP with this periodic assessment is scheduled for August 2005.

The EPA proposed approval of the Ozone Action Plan in the Federal Register on May 17, 2005 (see 70 FR 28239). The comment period closed on June 16, 2005 with no comments received.

The EPA's deferred effective date of ozone designation for the region was proposed in the Federal Register on June 8, 2005 (see 70 FR 33409). The comment period closes July 8, 2005.

CDPHE Stationary Sources Program staff met with Oil & Gas industry representatives on May 23rd to discuss progress on EAC OAP control measure implementation. All company representatives indicated they have met the initial reduction targets for this year and are documenting the results of their efforts. The first report of VOC reductions required by Reg. 7 is not due until April of '06. The operators also indicated that the flares they have installed appear to be highly reliable and generally operate well. Some companies reported they are installing vapor recovery units (VRU) instead of flares where it is feasible to do so. This allows them to recover a saleable product, thereby recovering a portion of the added cost of installing VRU's.

Voluntary Ozone Outreach and Education Program

The Regional Air Quality Council's (RAQC) planning process identified a need for much greater public outreach and education on ozone pollution. Increased citizen understanding and awareness of the causes and solutions for ozone pollution is an important element of the region's ozone strategy. However, no

emissions reduction credit has been taken in the EAC Ozone Action Plan for this voluntary program

While the RAQC's past outreach efforts have been effective in bringing together stakeholders and identifying ozone reduction strategies, it has struggled with raising overall awareness due to the budget constraints under which it has operated since the program's inception in 1999. With the addition of Congestion Mitigation/Air Quality funding, the RAQC and its partners are able to dramatically increase their public education and outreach efforts.

The Voluntary Ozone Outreach and Education Program encompasses large-scale outreach, advertising, education, and evaluation components in order to raise public awareness and education about ozone issues and increase the number of people undertaking voluntary ozone reduction steps. In addition, it will assist with the promotion of the RAQC's high-emitting vehicle outreach project, Repair Your Air.

The four main components of the program are briefly described in detail below:

Media Outreach and Advertising

The RAQC has developed an extensive media-advertising program with outside assistance to raise public awareness about ozone solutions, with emphasis on those involving motor vehicles. The three-year summer campaign beginning in June 2005 uses a multi-media approach utilizing television, radio, print, and web-based advertising and public information. Each ozone season will begin with a large-scale kick-off/press event, followed by ongoing advertising and outreach. The RAQC will continue to work closely with its local government partners in implementing public communication efforts for their citizens and employees.

Citizen Outreach

The RAQC has been conducting public and community outreach with regards to ozone pollution for six years. The RAQC has used its experience with conducting outreach to the "average" person to determine what types of events are successful. Citizen outreach includes Car Care Fairs and participation in community events.

Local Government Outreach

Since the inception of the ozone outreach program, RAQC has been working closely and cooperatively with Denver-area local governments, both in the public information and operations areas. As part of this program, RAQC will not only continue its past efforts, but also expand its outreach efforts to local governments to encourage increased participation in educating their respective communities and employees about ozone pollution and effective reduction strategies. The RAQC has identified 10 area local governments to participate in a fleet gas cap testing program this summer. The results of the program will be available in September 2005. In addition, the RAQC is encouraging local governments to

increase their ozone outreach and education efforts by providing small grants to those governments that submit creative proposals.

Analysis and Reporting

With financial assistance through the CM/AQ grant program, the RAQC is able to work with a professional firm to conduct a pre and post study to determine the effectiveness of the increased outreach and education efforts in affecting behavior change among the public. The RAQC conducted pre-campaign research in Spring 2005 that consisted of a telephone survey and two focus groups. Post-campaign research will begin in September.

For more information about the Voluntary Ozone Outreach and Education Program, visit www.ozoneaware.org.

Progress made in completing technical analyses for attainment demonstration due December 31, 2004, including any additional modeling or analyses since submission of March 31, 2004 plans:

The technical analysis that supports the approved Ozone Action Plan was completed in early March 2004 and was included in the submittal to the EPA in fulfillment of the required March 31, 2004 milestone. The Technical Support Document has been provided to EPA Region 8 on CD-ROM and is posted on the Air Pollution Control Division's website, <http://apcd.state.co.us/documents/eac/>

All supporting reports are included in the Technical Support Document referenced above, as well as on the RAQC website, www.raqc.org/ozone/EAC/ozone-eac.htm. No additional modeling or analyses has been completed beyond which is referenced in the original TSD.

A draft technical report by Environ that addressed model sensitivity was submitted February 11, 2005 to the RAQC and APCD. The modeling platform continues to demonstrate unresponsiveness to small refinements in the sensitivity analyses, although it meets most of the EPA evaluation protocols.

The Ethanol Management Company sponsored a draft report by Environ dated April 7, 2005 which sought to photochemically model the effects of the use of ethanol blends in gasoline on ozone concentration in the Denver region. The results of the analysis were negligible reductions/increases in ozone concentration across the Front Range. However there continues to be uncertainty about the results because of the importance of ethanol in increased evaporative emissions, and the inability of current tools to precisely quantify evaporative emissions and the lack of sensitivity to inventory changes in the modeling platform.

Updates on meetings conducted by the stakeholders since December 31, 2004:

The Regional Air Quality Council has embarked on a significant Voluntary Ozone Outreach and Education Program as noted above. The RAQC Board met formally on February 3, 2005, April 7, 2005 and May 5, 2005 to receive staff input on the program development, give overall direction and approve contracts for professional marketing and advertising assistance.

The Multi-Jurisdictional I/M Transition Committee, comprised of staff from the City of Fort Collins, the North Front Range MPO, Pikes Peak Area Council of Governments (PPACG), the Emissions Coalition of Colorado Springs, the CDPHE and the RAQC, has been formed to foster cooperation and coordination along the north Front Range in terms of potential voluntary programs to replace the I/M programs that are being removed from the CO SIPs for the City of Fort Collins, Colorado Springs and Greeley. The committee has met four times since December 31, 2004 as follows: March 16th, April 6th, May 6th and June 1st.

The CDPHE hosted a meeting of staff from CDOT, DRCOG PPACG, the North Front Range MPO, the City of Fort Collins and the RAQC on May 20, 2005 to review revisions to Colorado's Conformity regulation. The proposed revision is an update to conform to federal Conformity regulation and to address possible needs for cooperation and coordination among Front Range MPO's and lead air quality planning agencies in the event 8-hour ozone remains a SIP issue and becomes a Conformity issue.

Updates on current progress of the State's development of the SIP (due December 31, 2004), including schedule for adoption and implementation of State regulations, as well as a description of public meetings and/or hearings that have occurred or will be conducted prior to SIP submission:

The approved plan and TSD was submitted to EPA by the Governor of Colorado in August 2004.

Since the SIP has been completed and the necessary regulations have been adopted and revised per EPA comments as discussed above, there are no additional meetings planned.

Updates on any obstacles toward completing the December 31, 2004 milestone or any future milestones:

Since the Ozone Action Plan has been approved by the AQCC and approved by the General Assembly, the plan is complete, at this time. Also since the regulatory revisions discussed above improve the approvability of the OAP and neither add or delete any controls, there are no obstacles anticipated to meeting the future milestones. Additionally, as noted above, the oil and gas industry reports good progress installing the required controls in a timely fashion.